

VZCZCXYZ0002
PP RUEHWEB

DE RUEHGB #1744/01 1801231
ZNY CCCCC ZZH
P 291231Z JUN 09
FM AMEMBASSY BAGHDAD
TO RUEHC/SECSTATE WASHDC PRIORITY 3719
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUCNRAQ/IRAQ COLLECTIVE PRIORITY

C O N F I D E N T I A L BAGHDAD 001744

SIPDIS

E.O. 12958: DECL: 06/30/2019
TAGS: [PGOV](#) [ECON](#) [PREL](#) [EAID](#) [IZ](#)
SUBJECT: IRAQ AFTER JUNE 30: THE VIEW FROM SADR CITY

REF: A. BASRAH 32
[B](#). BAGHDAD 1312
[C](#). 08 BAGHDAD 4055

Classified By: Acting Political Counselor John Fox for reasons 1.4 (d).

[1](#)1. (C) Summary. As the June 30 deadline for withdrawal from the cities approaches, Sadr City remains unstable and dangerous. Security there and in surrounding low-income Shi'a neighborhoods remains fragile but has not significantly deteriorated. Information about the two-thirds of Sadr

City north of the wall at Phase Line Gold wall, which our military cannot cross, is limited, but reports of increased lethal aid to the area abound. Most locals express support for the Iraqi Security Forces (ISF) despite occasional complaints of corruption and worries about how they would perform in a true emergency. Interviews with politicians, sheikhs and businessmen indicate that our robust civilian and military development assistance in the areas outside the wall has not been complemented by serious Iraqi national, provincial, or district authority efforts to shift their own funding toward neighborhoods inside the wall. U.S. presence in the areas surrounding Sadr City will be highly visible even after June 30, in the form of joint patrols with the ISF. The June 30 "pullout" may have limited influence on key short-term U.S. interests (immediate security risks, a potential Security Agreement referendum) since current indicators suggest that we may not see much change on the ground through the end of the year. Our window for addressing Sadr City's long-term problems is closing, however, and the general threat risk appears to be deferred more than defused. End summary.

Basic Security Situation

[1](#)2. (C) As the June 30 deadline for withdrawal from the cities approaches, Sadr City remains unstable and dangerous. The area had not seen the sharp uptick in IEDs and other violence seen in some other areas of the Shi'a south and Baghdad early this month. Iraqis interviewed by poloff from June 14-16 concur with CF opinion that many of the Sadrist-friendly Northeast Baghdad neighborhoods accessible to the U.S. -- Jamilla, Ishbiliya, and Ur -- had actually been calmer than normal in recent weeks, while Istiqlal (a densely-populated Shia community north of urban Baghdad frequently described as "Sadr City without the walls") had deteriorated. (Note: The last week, after interviews for this message were concluded, saw an increase in sophisticated IED attacks in and around Sadr City. End Note.) Our access to the two-thirds of Sadr City north of the 4000-meter wall at Phase Line Gold is much more limited. Residents in the zone (including religious sheikhs, also Embassy and PRT staff) report that Iraqi Army (IA) presence

is thinner than in other parts of Baghdad but strong enough to keep the peace for the time being.

¶3. (C) Reports of mafia-style taxation and parallel service delivery by militants are still common, especially in the northeast parts of Sadr City, but hard to verify. Ominously, lethal aid (funding and EFP materials) have been entering Sadr City and Istiglal from the east at increased rates. There have been very few recent reports of returns by foreign fighters and former combatants. The general pace of life in Sadr City, meanwhile, is more relaxed than it has been for a long time: foot traffic at night has increased and dress patterns have relaxed over the past year according to embassy and PRT local staff who are residents of the area. Embedded PRT (ePRT) officers have heard many reports of bars opening in the southern areas Qheard many reports of bars opening in the southern areas nearer the wall.

ISF Capacity

¶4. (C) All Iraqis interviewed for this report expressed concern about security after June 30, and gave mixed evaluations of the ISF's ability to handle security in case of a real emergency -- especially behind the wall. Most made the distinction between the IA, which is viewed as professional, and the Iraqi Police (IP), which is viewed as weak, politically divided and infiltrated. (Poloffs have heard this criticism throughout Shi'a areas of Iraq.) One Shi'a cleric described as a "philosophical Sadrism" told poloff he credited the large Sunni presence in the Sadr City IA contingent for maintaining professional standards.

¶5. (C) A few disturbing reports of poor performance by IA in the area have been made, including a tendency for IEDs to explode within 200 meters of IA checkpoints. Several people also cited a recent report of IA officers collecting bribes at a Jamilla checkpoint, allegedly in coordination with Ahmed al-Nouri, a relative of Muqtada al-Sadr. One Iraqi professional living in central Sadr City claimed that the ISF has negotiated "exclusion zones" with militants in certain confined areas of town, which are broadly known to the residents of the area. CF have also noted this tendency, but view it as a means of avoiding conflict, not necessarily as evidence of corruption.

Government Services Lag Behind Needs

¶6. (C) Reports of IA and IP corruption in Northeast Baghdad are common, but may reflect broader fears of the reporters more than objective reality. Several businessmen, market vendors, and tribal sheikhs from Jamilla (just south of Phase Line Gold, part of Sadr 1 municipal district) impressed upon poloff and the ePRT that collecting bribes for 'maintenance' in Jamilla market had ceased for over a year but had started again in recent weeks, with IA complicity. After scratching the surface a bit further, our contacts conceded that IA officers had simply been asking local merchants to comply with tax collectors who were contractors for the municipality. The real problem was that the municipality had not provided any cleaning services. One fruit seller later remarked ironically that the Sadrism militia, at least, actually cleaned the market. Many of these businessmen, some of whom have contracts with CF, are understandably worried that they will become militia targets after June 30. They expressed general respect for the IA, but do not feel that it will be able to protect them if, for example, a gang of armed teenagers charges into the market demanding bribes and issuing orders.

Militants and Reconciliation

¶7. (C) While all militia violence provokes fears, both CF and Iraqi contacts singled out the Asaib Ahl al-Haq (AAH)

presence behind Phase Line Gold as particularly strong and troublesome. The return of AAH leader Layth al-Khazali was mentioned by two sources, with one merchant saying it was common knowledge in town that Layth had met publicly with other high-level militia leaders in Sadr City a few days after his June 6 release from CF custody. (Note: This would still be consistent with reports that he subsequently left for Iran. End note.) One tribal sheikh from Jamila said that he had seen signs north of Phase Line Gold that Muqtada-aligned Sadrists were getting more aggressive about pushing the religious credentials of Muqtada vis-a-vis Grand Ayatollah Sistani and the four marja'iyah. (Similar signs have been reported recently from Sadrist mosques in Najaf and Basra.) Other intelligence reports indicate increased tension between AAH and JAM affiliates, a tendency that may be ameliorated by higher-level reconciliation talks outside the country.

18. (C) Attitudes toward political reconciliation among local leaders were relatively sanguine, though opportunities for reintegration may be limited. Kadhim Ruba'i al-Quraishi, a religious sheikh with past ties to the Office of the Martyr Sadr (OMS) and a current CF contractor, discussed U.S. and GOI-funded efforts to provide vocational training for people in the neighborhood recently released from CF custody. He expressed frustration that his 60 participants -- some falsely accused and others ex-combatants wanting to turn the page, in his opinion -- would not be able to find employment and that some degree of recidivism would result. Local merchants and tribal sheikhs also said they thought that the vast majority of released detainees were reconcilable, given the opportunity. However, one participant in the meeting, the owner of a small food-processing plant near Jamilla, told us afterward that he will continue screening applicants for suspected militia links. "No one with any sense would hire (former detainees)," he said.

Class Consciousness: Middle Class Favors Maliki

19. (C) The vast majority of Northeast Baghdad residents we interviewed showed limited awareness of Prime Minister Maliki's role in reconciliation, the delivery of essential services, or anything outside the security realm. Views toward Maliki varied by walk of life. The religious sheikhs and religious Shi'a from north of the wall expressed bitterness toward Maliki, blaming him for many of the city's problems. A secular resident also told us that the worst political tensions in his neighborhood were between Da'wa and the Sadrists, a remnant of last year's ISF operations. In contrast, the merchant class in Northeast Baghdad -- which is quite large despite the poverty -- expressed consistent support for Maliki whenever asked. All made the point heard from Shi'a businessmen throughout the country: Maliki equals security. Sheikh Jumaa Hussein al-Shahmani even expressed support for Maliki despite recently losing, by the Prime Minister's fiat, a GOI security contract to Sahwa leaders. Recent anecdotal evidence, along with reports from the January provincial elections, indicate that the relatively prosperous neighborhoods south of the wall are Maliki strongholds, while neighborhoods to the north are closely contested between Sadrists and the Prime Minister's supporters.

Governing North and South of the Line

10. (C) While CF continues to provide assistance through Commanders' Emergency Relief Program (CERP) funds in order to stabilize security south of the wall, the Iraqi Government has done little to bridge the growing divide within Sadr 1 and Sadr 2 beladiyat (municipal districts). (Note: Phase Line Gold runs through both beladiyat, leaving about 80 percent of the population in each north of the line. End note.) In our conversations with municipal workers and beladiyah directors-general at the margins of a

June 16 District Council (DC) meeting in Jamila (in Sadr 1), we found awareness of the problem but no evidence of any provincial or municipal effort to shift funding north of the wall -- despite the strong presence of Sadrists on the PC governing coalition, in the Deputy Governor's office, and in the Deputy Mayor's office. Other interlocutors criticized the U.S. for spending money unwisely and not doing enough to push the GOI to shift priorities. Sheikh Mohammed, himself a CF contractor, said that it is well known that the U.S. provides generators for DC members, and that every street in Jamilla with a DC member has at least one generator. (Note: This is a reference to CF-funded micro-generation cooperatives established in 2008 and administered via Neighborhood Councils in the area. END NOTE.) He and others agreed that close CF partnership with the DC has had the effect of raising standards in Jamilla in an unbalanced way.

¶11. (C) The national government was supposed to address north-of-the-wall concerns through Prime Minister Maliki's Reconstruction Committee, headlined by Dr. Abdul Sumad Rahman Sultan, Minister of Migration and Displaced Persons. PM Maliki publicly announced a special allocation of \$100 million to address glaring shortcomings in Sadr City (with an additional \$50 million devoted to Shula, a poor Shia enclave in northwestern Baghdad) in the aftermath of Operation Fardh Al Qa'noon. DC Chairman Hassan al-Shama had told ePRT officers recently that he was coordinating closely with Sultan, but in a meeting earlier this week told the ePRT that he has seen few results thus far and now doubts that the \$100 million is real. DC members told us after the meeting that they had not been consulted by the Reconstruction Committee and knew next to nothing about it. Combined USG efforts (from the Embassy/Force level down through PRT-Baghdad and MND-Baghdad) to support this effort corroborate al-Shama's impressions. MoDM did not have the staff or organizational capabilities to effectively spend the resources, and a portion of the funds were directed to a hodge-podge of trash trucks, generators and modest school repairs. We believe substantial portions of the dedicated fund was never spent. Similarly, a much-publicized "10 over 10" initiative to spend \$10 billion over ten years to construct new housing north of Sadr City to alleviate overcrowding has been delayed for two budget years, into FY-2010, due to a lack of money.

CERP Influx

¶12. (C) Meanwhile, we continue to provide substantial CERP funding in Northeast Baghdad neighborhoods, especially in Ur and Jamila. The brigade has spent \$10.6 million since January 1 on a wide range of projects, including sewer repairs, distribution of generators, school repair, a performing-arts theater, trash pickup, solar lights, and parks. The brigade estimates that between \$6-8 million in additional CERP funding will be disbursed through the end of October 2009. While some CERP projects carried out shortly after the 2008 summer cease-fire were targeted toward broader civil society goals (such as equipping Ur Technical School), the round of projects over the next few months will be focused heavily on keeping the peace in the post-June 30 era. This means providing electricity in the summer and jobs through infrastructure projects. Most of the Iraqis we interviewed agreed with the immediate targets established for CERP funding, though one religious sheikh criticized the trash-removal programs as pointless. (Similar sentiments toward CERP priorities were recently expressed by religious leaders in Basra Sadrist communities in Ref A.)

U.S. Movements and Presence

¶13. (C) Just as the results of CERP funds will continue to be seen for the next year, the U.S. troop presence in

Northeast Baghdad may be substantial after June 30. If requested by Iraqi authorities, U.S. soldiers will still patrol Baghdad streets, walking alongside ISF (generally IA rather than IP) patrols. Operating in the area will require a longer daily "commute" from exurban Forward Operating Bases such as War Eagle, rather than from more centrally located facilities such as JSS Sadr City. Also, the U.S. will have essentially the same capacity as before to monitor and prevent lethal inflows from the east. Our interviews with Iraqis, who are genuinely concerned about the deadline, suggest that still do not believe that U.S. soldiers will still be seen frequently on the streets. The market sellers of Jamilla were skeptical, despite having heard several times from CF officers that U.S. troops will still be a constant presence.

¶14. (C) The continued ubiquity of U.S. troops in many areas of Baghdad will not be replicated in all other parts of the country. In many provinces with better security, especially in southern Iraq, U.S. patrols are expected to become less frequent after June 30. PRT and ePRT visibility in Baghdad will also differ from that of PRTs in other provinces. Poor security in Baghdad will continue to require movements in MRAPs and other military vehicles rather than the civilian-appearing armored suburbans that will be used soon in most other provinces.

Comment: Effect of June 30 on Security and SA Referendum

¶15. (C) While security in Northeast Baghdad remains unstable and lethal aid in the area has increased, the basic U.S.-Iraqi relationship here will change little in the next several months after June 30. In turn, it is difficult to foresee that the "pullout" will have a significant influence on security, Iraqi politics, or other short-term U.S. interests. Maliki's strength continues to grow in the area, but it is unclear whether this translates into support for the U.S.-Iraqi Security Agreement (SA) he negotiated. Many businessmen are uncomfortable with the SA because they do not fully trust the ISF, and have told us that they do not want to support it. Religious sheikh Kadhim Ruba'i told us that he supported the SA last year, but will not support it in a referendum because he believes the U.S. presence should be stronger. The other sheikhs noted that support for the SA north of Phase Line Gold will be minimal in any case, since they do not see Americans and do not understand how they indirectly benefit from our presence. If a referendum does take place, Northeast Baghdad will be a trouble spot.

¶16. (C) Of greater concern is whether USG-GOI initiatives to improve long-term conditions in Sadr City start to bear fruit before U.S. troops pull out altogether in 2011. These include the provision of essential services, strengthening of local government processes, and reconciliation of former combatants. Measurable progress has been made in all these areas. However, the strong U.S. role in providing services, working through municipal and district government, has helped reinforce a system in which service delivery and political representation are strongly tilted toward the areas on the perimeters of Sadr City -- and away from the much-poorer areas above Phase Line Gold. In a capital city with overwhelming needs, U.S. spending in Sadr City and similar areas has enabled the GoI to concentrate its efforts in other districts. Irrespective of the sectarian makeup of Sadr City, it is largely viewed by Baghdad's political class as an irredeemable slum, and it does not acknowledge that poverty feeds extremist behavior. It appears that the U.S. cares more about Sadr City than the Iraqi government. More needs to be done to engage the GOI at various levels to ensure that U.S. engagement in Baghdad is designed not only to maintain short-term security south and west of the wall but also to address long-term imbalances in Northeast Baghdad that could overwhelm the GOI once we leave. End

comment.
HILL